

Partner selection supported by opaque reputation promotes cooperative behavior

Valerio Capraro^{1,*}, Francesca Giardini^{2,3*}, Daniele Vilone⁴, Mario Paolucci³

¹Department of Economics, Middlesex University Business School, NW44BT
London, United Kingdom.

²Department of Sociology, University of Groningen, Grote Rozenstraat 31 - 9712
TG Groningen, The Netherlands.

³Laboratory of Agent Based Social Simulation (LABSS), Institute of Cognitive
Sciences and Technology (ISTC-CNR), Rome, Italy.

⁴Grupo Interdisciplinar de Sistemas Complejos (GISC), Departamento de
Matemáticas, Universidad Carlos III de Madrid, 28911 Leganés, Spain.

*These authors contributed the same

Contact Author: V.Capraro@mdx.ac.uk

October 10, 2016

Forthcoming in Judgment and Decision Making

Abstract

Reputation plays a major role in human societies, and it has been proposed as an explanation for the evolution of cooperation. While the majority of previous studies equates reputation with a transparent and complete history of players' past decisions, in real life, reputations are often ambiguous and opaque. Using web-based experiments, we explore the extent to which opaque reputation works in isolating defectors, with and without partner selection opportunities. Our results show that low reputation works as a signal of untrustworthiness, whereas medium or high reputation are not taken into account by participants for orienting their choices. We also find that reputation without partner selection does not promote cooperative behavior; that is, defectors do not turn into cooperators only for the sake of getting a positive reputation. Finally, in a third study, we find that, when reputation is pivotal to selection, then a substantial proportion of would-be-defectors turn into cooperators. Taken together, these results provide insights on the characteristics of reputation and on the way in which humans make use of it when selecting partners but also when knowing that they will be selected.

keywords: reputation, partner selection, cooperation, prisoner's dilemma, online transactions.

Introduction

Partner selection, that is the ability to spot and preferentially interact with better social partners, is proposed to be a major factor in maintaining costly cooperation between individuals (Noë and Hammerstein, 1994). Theories on the evolution of cooperation via indirect reciprocity (Nowak and Sigmund, 1998; Panchanathan and Boyd, 2004) emphasize the role of reputation in discriminating cheaters and supporting cooperation, and experimental studies using dynamic networks indeed suggest that human subjects tend to break links with defectors and form new links with cooperators (Rand, Arbesman and Christakis, 2011; Wang, Suri and Watts, 2012).

Reputation-based partner selection requires the ability to evaluate others and to take into account third parties' evaluations, i.e., the result of being evaluated by others. A sensitivity towards others' presence and related evaluations is suggested by several studies. When subtle cues of being watched are present, like for instance a picture of watching eyes (Bateson, Nettle and Roberts, 2005), or even three dots in a face-like configuration (Rigdon et al., 2009), the probability of donating something significantly increases, both in laboratory experiments (Burnham and Hare, 2007; Haley and Fessler, 2005) and in field studies (Ernest-Jones, Nettle and Bateson, 2011; Yoeli et al., 2013). In economic games, cooperation increases when participants are informed about others' actions in a transparent and reliable manner, like for instance when they receive information about the amount of other players' past contributions in a Public Goods Game (Sommerfeld et al., 2007; Sommerfeld, Krambeck and Milinski, 2008), or in a two-players donation game (d'Adda, Capraro and Tavoni, 2015; Wedekind and Milinski, 2000).

Although interesting, these studies present what Granovetter (1985) calls an 'undersocialized' notion that equates reputation with a transparent and complete history of players' past decisions. In real life, reputations are based on personal evaluations, and they are often ambiguous, opaque and ephemeral. Nonetheless, humans strive to acquire positive reputations, but they also select partners and make decisions on the basis of partners' reputations. The fragility of reputation is even more evident if we take into account digital reputation, a widely used tool in online transactions and services. According to Randy Farmer (2011, p. 16): "Every top website is using reputation to

improve its products and services, even if only internally to mitigate abuse. In short, reputation systems create real-world value”. Reputation systems are designed to mediate and facilitate the process of assessing reputations within specific communities (Dellarocas, 2011), and they are built upon users’ evaluations. (Dellarocas, 2012).

This kind of systems is pivotal to the establishment of online transactions among distant strangers characterized by asymmetric information, in which buyers have little or no information about the goods they are going to buy, as in electronic markets like eBay. In these systems, comments or feedbacks provided by previous users are essential to promote trust among parties, to overcome information asymmetries, and to minimize frauds (Diekmann et al., 2014). However, in online reputation, evaluations are largely opaque in many ways. Sources are unknown, as well as their metrics, meaning that what someone rates as good can be below average for someone else, and this is especially true for ratings, like stars. Comments can be misleading too, or, even worse, fraudulent, because interested targets or their competitors can artificially manipulate reviews, and thus portray a very different situation (Matzat and Snijders, 2012). In spite of that, individuals heavily rely on others’ reputations and evaluations, even when these are ambiguous and non transparent, as stars in online reputation systems (like Tripadvisor). Chevalier and Mayzlin (2006) examine book reviews on two online booksellers and investigate the effects of reviews on books sales. Their analysis shows that evaluations, both in the form of written reviews and average star rankings, have an effect on book sales, even if negative and positive reviews have asymmetric effects on consumers’ behavior. Reputation systems are used in a variety of different contexts, from philanthropy to science (Masum, Tovey, 2011), but they all are based on ambiguous, anonymous and usually aggregated evaluations.

The aim of this work is to explore the extent to which opaque reputations in the form of stars might support cooperation in a strategic game. We consider both sides of evaluations, introducing reputation-based partner selection in two variants: weak and strong. Given our interest in understanding ambiguous reputations, pervasive in online environments, we choose to run web-based experiments using the online labor market Amazon Mechanical Turk (AMT). To avoid confounding factors related to online transactions (prices, goods, sellers’ features), to measure individuals’ cooperative attitudes we decide to use a standard one-shot Prisoner’s Dilemma (Nowak, 2006; Perc

& Szolnoki, 2010; Capraro, 2013; Rand & Nowak, 2013).

In order to single out the effects of evaluations and partner selection on individuals' behaviors, we designed three different studies. In the first experiment, we implemented a between-subjects design in order to understand how ambiguous evaluations (in the form of a grade obtained in a previous non-specified test) are taken into account, and how participants use such an ambiguous evaluation system when assessing their partners' behaviors. In the second and in the third study, we investigated the effect of knowing that one will be evaluated on one's own behavior, by increasing the consequences of being evaluated, ranging from none to the possibility of being selected for another round of the game by a third-party knowing only the person's reputation (see Methods for more details).

Our results provide evidence of the importance of reputation even when it is opaque. More specifically, we report four major results: (i) people cooperate much less with low-reputation partners than with medium or high reputation partners, even if they do not know how that reputation was acquired, (ii) when given the opportunity to select a partner knowing only his or her reputation, people tend to select partners with high reputation; (iii) individuals use their own behavior as a baseline for evaluation, disregarding absolute value of actions; (iv) knowing that they will be evaluated by their partner and that a third party will have the opportunity to select them as future partners has the effect to turn a substantial proportion of defectors into cooperators.

In sum, even when opaque and uncertain, reputation affects decision making: bad reputation works as a signal of anti-social behavior and, in combination with partner selection, promotes cooperative choices in digital environments.

Methods

We have conducted a series of three studies recruiting subjects through the online labour market Amazon Mechanical Turk (Mason and Suri, 2014; Paolacci and Chandler, 2014; Rand, 2012). We refer the reader to Table 1 for a summary of the three studies. Here we report the experimental design of each of the three studies. Full instructions are reported in the Appendix.

	conditions						
Study 1 N = 544	baseline (no stars)	low reputation (1 star)	neutral reputation (3 stars)	high reputation (5 stars)	evaluate cooperator	evaluate defector	evaluated
Study 2 N = 96	external partner selection						
Study 3 N = 227	Random+Evaluated (Stage 1: random partner; Stage 2: partner selection)			Choose+Evaluated (Stage 1: choose partner; Stage 2: partner selection)			

Table 1: Summary of our three experiments. We refer to the Methods section for more details and to the Appendix for full experimental instructions.

Study 1

In this study we were interested in exploring whether opaque reputation is taken into account when interacting with someone, and how people apply an ambiguous reputation system when assessing their partner’s behavior. After entering their TurkID, participants were randomly assigned to one of seven conditions. In the *baseline* condition, participants were randomly matched to play a standard Prisoner’s dilemma (PD). Specifically, each participant was given \$0.10 and had to decide whether to keep it (i.e., defect) or give it to the other player (i.e., cooperate). In the latter case, the \$0.10 would be multiplied by 2 and earned by the other player. After reading the instructions, participants were asked four general comprehension questions in random order. Participants failing any of the comprehension questions were automatically excluded from the survey. Those who answered all comprehension questions were directed to the ‘decision screen’, in which they could select either ‘keep’ or ‘give’, by means of appropriate buttons.

Participants in the *low reputation* condition played the same PD game as in the baseline condition, but, before making their choice, they were told that the person they were matched with had participated in a previous test (without receiving any information about the kind of test), in which

he or she was rated 1 out of 5 stars. This information was initially presented in the ‘instructions screen’ and then made salient in the ‘decision screen’. In reality, there was no previous test and, to compute the payoffs, we paired subjects at random. The *neutral evaluation* condition was similar to the low reputation condition, with the only difference that participants were told that they were matched with a person who was rated 3 out of 5 stars in a previous test. In the *high reputation* condition participants were told that they were matched with partners who was rated 5 out of 5 stars in a previous test.

Participants in the *evaluated* condition played the same PD as in the baseline condition, but, before making their choice, they were informed that their choice would be communicated to the other participant, who would be asked to rate it from 1 to 5 stars. This procedure was real, as cooperators were paired with participants in the *evaluate cooperator* condition below, and defectors were paired with participants in the *evaluate defector* condition below.

In the *evaluate cooperator* condition participants first played the PD and then were informed that their partner had cooperated. At this stage, players were given the opportunity to rate the other participant’s action from 1 to 5 stars. Finally, the *evaluate defector* condition was similar to the *evaluate cooperator* condition, with the only difference that participants were required to rate the behavior of an opponent who defected.

Study 2

As it will be shown in the Results section, the average cooperation in the *evaluated* condition of Study 1 is statistically the same as the average cooperation in the *baseline* condition, suggesting that the opportunity of being evaluated does not affect participants’ choices in one-shot PD games, when the resulting reputation has no real consequences. We designed Study 2 in order to understand why the reputation threat had had no effect on individuals’ behaviors in Study 1. We introduced a light manipulation to the setting used in the previous study, in which we informed players that their decisions (to cooperate or to defect) would be communicated to the other player who could give a rating going from 1 to 5 stars. Here, participants were also told that ratings were collected with the purpose of creating a rank of Turkers among which to select players with the highest ranks for further

participation in a particularly rewarding task. To build a reputation we used the data collected in the *evaluate cooperator* and *evaluate defector* conditions of Study 1. Specifically, each cooperator in this condition was randomly assigned to a participant in the *evaluate cooperator* condition and was assigned the evaluation given by this particular participant. Similarly with defectors.

Study 3

As it will be shown in the Results section, the light increase in the consequences of the evaluation experimented in Study 2 does not lead to an increase in cooperative behavior. The aim of Study 3 is to test whether a stronger form of partner selection would increase cooperative choices. To this end, we employed a two-stage game in order to test for differences in cooperation levels between the first and the second game. After entering their TurkID, participants were randomly assigned to either of two conditions. In the Random+Evaluated condition, the first stage consisted of a standard PD (as in the baseline condition in Study 1) played with a randomly selected partner. The following stage, instead, was divided in three parts: a game part, an evaluation part, and a selection part. In the game part, participants played another PD, neutrally framed, with a randomly selected person, denoted Person A, but they were told that the experimenter, in the next part of the stage (i.e., the evaluation part), will communicate their decision to another person, Person B (different from Person A), who was in charge of assigning participant's behavior a grade ranging from 1 to 5 stars. Participants were also told that, in the third part (i.e., the selection part), another player (Person C) was given a list of 5 participants (including themselves), each characterized by a different grade, from which they could choose their partner for playing a PD. Participants were told that, in case they were selected by Person C, they would be playing another round of the PD with Person C. In reality, there was no other round. So, the total payoff of a participant was given by the sum of the payoffs obtained in the two PDs. Complete information about the three parts of Stage 2 was given all together at the beginning of the stage itself, and two comprehension questions (in addition to the four comprehension questions asked in Stage 1) were asked before participants were allowed to make their decision.

The other treatment, Choose+Evaluated, was again in two stages. In the first stage, after reading the instructions of the PD, participants were told that they were grouped with other five participants, each of whom was characterized by a different number of stars obtained in a previous unspecified test. Participants were asked to select the participant with whom they wanted to play. In reality, this selection procedure was fictitious, and participants played with a randomly selected subject playing in the same condition, regardless of their selection. After the choices were made, participants enter the second stage, which was exactly the same as in the Choose+Evaluated condition.

Results

A total of 962 subjects, located in the US, passed the comprehension questions and participated in our three studies. This corresponds to about 59% of the total number of participants: about 41% of subjects failed the attention check, and were automatically excluded from the survey. This is in line with previous studies using similar strategic situations. For instance, Capraro, Jordan and Rand (2014) report 32% of subjects failing a very similar attention test. To avoid multiple observations from the same participant, each time we found a participant identified with the same IP address and/or the same TurkID, we kept only the first decision and eliminated the rest. As a consequence of this, the 962 participants that we analyze are *distinct* in all measurable variables. Participants failing the comprehension questions in one study were allowed to participate in the subsequent studies.

The effect of partner's opaque reputation on cooperative behavior

We begin by analyzing how information about the other person's (opaque) reputation is taken into account when interacting with them. To this end, we analyze the data of the baseline (N = 96), the low reputation (N = 91), the neutral reputation (N = 87), and the high reputation (N = 82) conditions of Study 1. Results, summarized in Figure 1, show that participants cooperated much less with partners with low reputation (one star out of five) than with the others (Rank sum

test. Low reputation vs baseline: $Z = -3.41$, $p = 0.0006$, effect size = 29%; low reputation vs neutral reputation: $Z = -3.30$, $p = 0.0010$, effect size = 29%; low reputation vs high reputation: $Z = -3.22$, $p = 0.0013$, effect size = 28%;), even if they had no information about the way in which this reputation was acquired. However, there is no statistically significant difference between the rate of cooperation in the baseline condition and that in the ‘neutral’ (Rank sum test: $Z = 0$, $p = 1$) and ‘high’ (Rank sum test: $Z = 0.05$, $p = 0.9601$) reputation conditions. Thus, low reputation is a signal of anti-sociality, but high reputation is not a signal of pro-sociality.

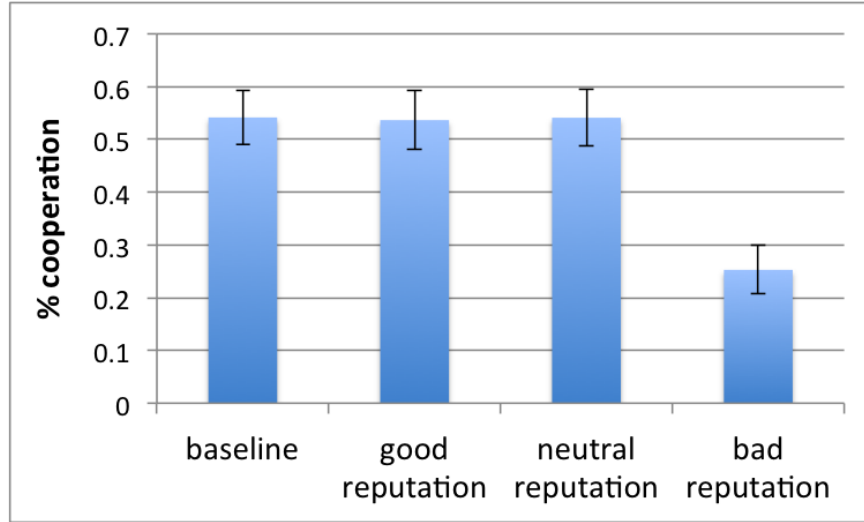


Figure 1: *Comparison among levels of cooperation when there is no information about the partner (baseline), or when they are ranked as having a high reputation (5 stars out of 5), a neutral one (3 stars) or a low reputation (1 stars). Error bars represent the standard error of the mean. Only low reputation seems to be informative for participants, who do not cooperate with people with low reputation, while no differences in cooperation are found between the three other evaluations.*

The use of opaque reputation to assess others’ behavior

Next, we analyze how subjects use opaque reputation to assess their partner’s behavior. To this end, we analyze the data of the *evaluate cooperation* ($N = 95$) and the *evaluate defector* ($N = 93$) conditions of Study 1. Results, summarized in Figure 2, show that, when asked to assign a rate ranging from 1 to 5 stars to their partner, participants rated cooperators overwhelmingly higher than defectors. Specifically, the average grade of a cooperator was 4.91, while the average rate

of a defector was 2.14 (Rank sum test: $Z = 10.76$, $p < .0001$). Both defectors and cooperators gave cooperators very high rates. Indeed, the average grade of a cooperator when rated by another cooperator was 4.94, while the average grade of a cooperator when rated by a defector was 4.86 (Rank sum test: $Z = 0.64$, $p = 0.5222$). On the other hand, cooperators evaluated defectors significantly worse than other defectors did: the average grade of a defector when rated by another defector was 2.80, while the average grade of a defector when rated by a cooperator was 1.48 (Rank sum test: $Z = 4.72$, $p < .0001$). The figure shows that some defectors were rated 4 or 5 stars. Data show that, in these cases, the evaluator was herself a defector. In other words, the maximum grade given to a defector by a cooperator was 3 stars. This means that evaluations were conditional on one's own behavior, and not based on the absolute positive or negative value of participants' choices.

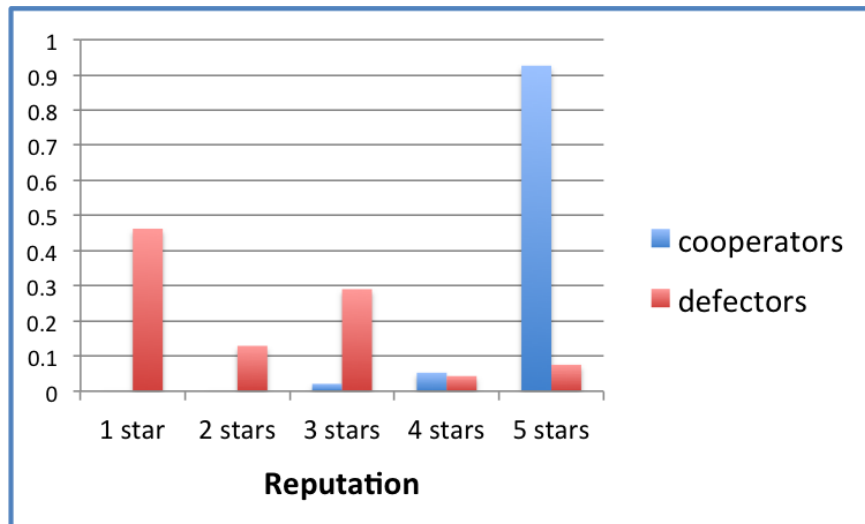


Figure 2: *Distributions of evaluations of cooperators and defectors on a scale from 1 to 5 stars. Cooperators received very positive evaluations, in contrast with defectors' grades.*

The effect of being evaluated and external partner selection on cooperation

Next, we analyze the effect of being evaluated on cooperative behavior in two cases: when the evaluation phase is not followed by real partner selection; and when it is followed by *external partner selection*, that is, by the possibility of being selected by the experimenter for new studies. To this end, we analyze the data of the *evaluated* condition of Study 1 ($N = 95$) and Study 2 ($N = 96$).

We compare the results of Study 2 with those of the *evaluated* and the *baseline* conditions in Study 1, although these experiments were conducted in different times, only to understand whether the light increase in the consequences of the evaluation in Study 2 is likely to produce relevant changes in cooperative behavior. Figure 3 summarizes the results and shows that neither treatments had a significant effect on cooperative behavior (Rank sum test. Baseline vs Evaluated: $Z = -0.32$, $p = 0.749$; baseline vs study 2: $Z = -0.57$, $p = 0.453$).

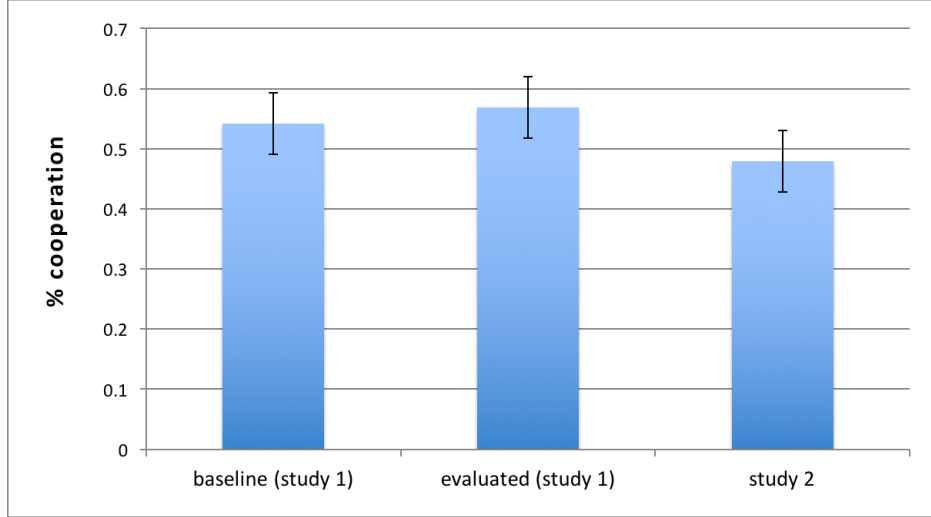


Figure 3: *Percentage of cooperation for the evaluation without partner selection condition (evaluated, Study 1) and for the evaluation with possibility to be selected by the experimenter for another study (Study 2). Error bars represent the standard error of the mean.*

The effect of being evaluated and internal partner selection on cooperation

Finally, we analyze the effect of being evaluated on cooperative behavior, when the evaluation is followed by *internal partner selection*, that is, the possibility of being selected by another participant for playing another round of the PD. To this end, we analyze the data of Study 3 (Random+Evaluated: $N = 104$; Choose+Evaluated: $N = 123$). Figures 4 and 5 show an increase of cooperation in the second PD game with respect to the first one, in both experimental conditions. Cooperation increased both when partners were randomly assigned (Random+Evaluated), and when participants chose with whom to interact (Choose+Evaluated), suggesting that the opportunity of being selected as a partner in the next game increased cooperative choices. To understand

what drives this increase in cooperative behavior, we do a within-subject analysis looking at those subjects who changed strategy from the first PD to the second PD. In both experimental conditions, we find that virtually all of those subjects who cooperated in Stage 1 remained cooperators in Stage 2, whereas a substantial proportion of subjects who defected in Stage 1 became cooperative in Stage 2. Specifically, in the *random+evaluated* condition, we find that 55 participants cooperated and 49 defected in the first PD. Among these cooperators, only 3 of them changed strategy and defected in the second PD. On the other hand, among the defectors, 40% of them (20 out of 49) changed strategy and cooperated in the second PD. Similarly, in the *choose+evaluated* condition, 69 participants cooperated and 53 defected in the first PD. Among these cooperators, none of them changed strategy, that is, all of them cooperated also in the next PD. Among the defectors, about 30% (16 out of 53) changed strategy and cooperated in the second PD. Thus, in both cases, we found that the combination of reputation and partner choice was effective in turning a substantial proportion of defectors into cooperators.

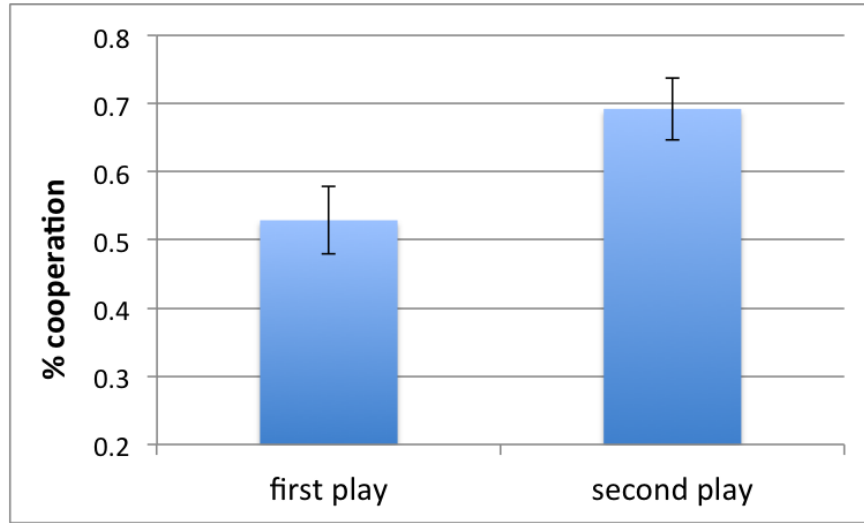


Figure 4: *Percentage of cooperative choices in the first and second stage of the Random+Evaluated condition. Error bars represent the standard error of the mean. In the second stage, participants played the PD knowing that their choice would be evaluated by another person and that a third party could select them, for playing another round of the PD, from a list of five participants, one for each possible grade. This significantly increased cooperative choices, compared to the first, completely neutral, PD.*

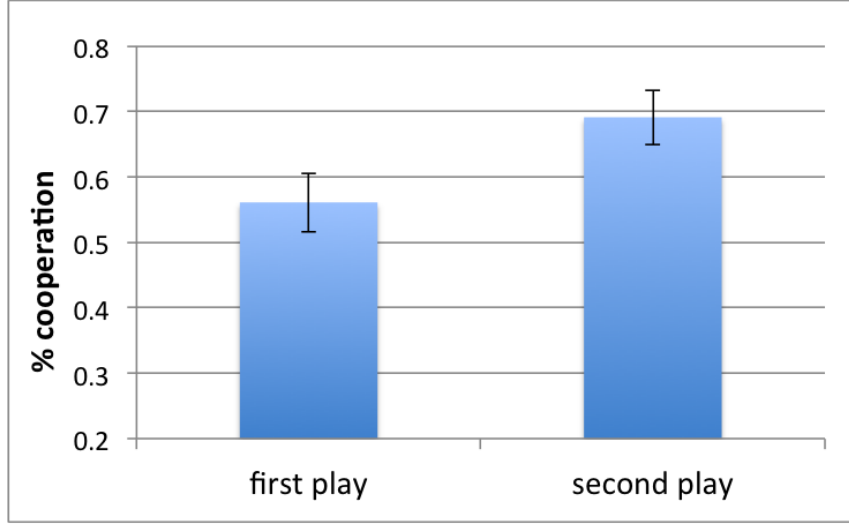


Figure 5: *Percentage of cooperative choices in the first and second stage of the Choose+Evaluated condition. Error bars represent the standard error of the mean. Even when choosing a partner, participants did not show increases in cooperation until the second game, when they were evaluated and, possibly, selected for another game.*

Finally, we investigated people’s preferences when they had the opportunity to choose a partner for playing the first PD (i.e., in the *choose+evaluated* condition). We find that the majority of people, but not all (75%), preferred to play with a partner with 5 stars. Those who decided to play with an opponent with less than 5 stars were significantly less cooperative than those who decided to play with an opponent with 5 stars (average cooperation: 35% vs 63%, Rank sum, $p = 0.022$).

Discussion

In this experimental work, we focused on the role of evaluations on cooperative behaviors, disentangling the effects of evaluating others from those of being evaluated, and assessing the relative importance of partner selection in these processes. The role of reputation on cooperative behaviors in social dilemmas is well-established (Alexander, 1987; Nowak and Sigmund, 2005; Rand and Nowak, 2013; Nax, Perc, Szolnoki and Helbing, 2015), but less is known on the consequences of reputation format and presence or absence of partner selection, especially in the noisy and ambiguous online environment.

We tested whether a reputation, low, neutral or high, coming from a completely unknown source and acquired in an obscure situation (i.e., what we termed opaque reputation) was used in a web-based experiment by participants who had to decide whether to cooperate or defect in a one-shot Prisoner Dilemma. Cooperation rates are affected by partners' rankings (expressed as one, three or five stars out of five), but this effect is not symmetrical. Participants rated with one star received significantly less cooperation than participants with neutral (three stars) and high (five stars) reputations.

The preminence of bad evaluations over good ones is a distinguishing trait of human psychology (Baumeister et al., 2001), and it seems especially salient in social contexts. Anderson and colleagues (2011) show that negative gossip associated with neutral faces dominates longer in a visual discrimination task. In the online world, Chevalier and Mayzlin (2006) find that a negative review of a book has a stronger influence than a positive one, in online book sellers websites like Amazon. Our results are thus in line with previous findings.

In the second study, participants were told that their actions would have been evaluated using the same opaque reputation system used in the first study, but our results showed that evaluation alone, without any actual partner selection, was not effective in increasing cooperative choices. Informing participants that their partners had the opportunity to rate them did not make cooperation increase with respect to a baseline, not even when we told them that a general ranking of players with the possibility of participating in future rewarding tasks would be created. This result allows us to narrow down the effect of partner selection, while stressing the fact that cooperation is not enhanced by the simple awareness that someone evaluates us.

In order to understand better how and under which conditions partner selection is effective in promoting cooperation, we design a third study using a repeated game in which participants were told that partner selection was real. Our results show an increase in cooperation levels between the first game (without evaluation and partner selection) and the second one, in which players were told that their behavior would have been evaluated and this evaluation transmitted to another potential player. The increase in cooperation was not due to 'active partner choice', because it happened also when partners were randomly assigned, therefore leading us to conclude that the combination

of being evaluated and being selected explained the observed increase in cooperation. In the third experiment, we also observed that a subset of participants selected partners with less than five stars and did not cooperate with them.

Although centered on digital reputation, our work adds to the literature on reputation systems but also to the general literature on cooperation. Studies on web-based reputation systems usually analyze real websites designed for enhancing trust in online transactions, in which real goods or services are exchanged (Dellarocas, 2006; Farmer and Glass, 2010). Our studies use a completely neutral setting, in which motivations related to individual preferences or needs do not enter decision making, but the main elements of reputation systems, i.e., evaluations and partner selection, are present. Showing that an opaque negative reputation can support cooperation complements evolutionary accounts that consider negative reputation as a powerful means for detecting and avoiding cheaters (Barkow, 1992; Giardini and Conte, 2012; Hess and Hagen, 2006; Nowak and Sigmund, 1998), a view supported also by several experimental findings (Anderson et al., 2011; Feinberg et al., 2012; Sommerfeld, Krambeck and Milinski, 2008). Reputation alone, however, seems to have no effect when it is devoid of partner choice, showing that what is called the “threat of gossip” (Beersma and Van Kleef, 2011; Piazza and Bering, 2008) is effective only when consequences of reputation are evident.

Reputation plays a major role in human sociality, and it has been proposed as an explanation for the evolution of costly cooperation. In recent years, reputation has become central also in online systems, even if it is much less controllable and completely opaque. Our findings suggest that reputation, even if opaque, works in isolating defectors, but its value is conditional on participants’ behaviors. Moreover, when partner selection is not effective, individuals do not become more cooperative only for the sake of getting a positive reputation, at least not in an anonymous online environment. On the contrary, when reputation is pivotal to selection, it leads individuals to change their behaviors and to cooperate. The behavioral switch is strong: the mere possibility of being selected for a new interaction turn about 35% of defectors into cooperators. This finding is interesting since it suggests yet another way to promote cooperative behavior in the field (see Kraft-Todd et al. 2015, for a recent review on interventions to promote cooperation in the field).

More generally, our experiments provide insights on the way in which humans use reputational information in uncertain environments, like for instance in online interactions. This has implications that exceed online markets and can be applied to several domains. For example, companies or universities, whose success is highly based on cooperation among their employees, might develop a reputational system, according to which colleagues that have been working together on the same project can rate one another.

Our experiments certainly have some limitations. Study 1 uses deception in three out of seven conditions; specifically, those in which participants are told that their partners obtained a certain grade in a previous unspecified test. In reality there was no previous test. Study 3 uses deception when subjects are told that they could be selected for another round of the PD, depending on how their choice would be evaluated by a third party. In reality, although the evaluation procedure was real, there was no selection for other rounds. In general, the use of deceptive messages leads to a decrease of the effect size (when there is a true effect), driven by a proportion of subjects that may anticipate the fact that the manipulation is not real. Thus, the effect sizes that we found in Study 1 and Study 3 are likely to be a lower bound for the true effect sizes. Understanding the true sizes of these effects is an important direction for future work. On the other hand, it is possible that the asymmetric effect of reputation information on cooperative behavior (Study 1) is an artifact of the use of deceptive messages: participants paired with high reputation partners may be more skeptical about the reality of the manipulation than those paired with low reputation partners. Although, as discussed above, this asymmetry is in line with previous studies, we cannot exclude that, in our case, it is driven by the use of deception and thus we leave this question for further research.

Acknowledgment

D.V. received support from H2020 FETPROACT-GSS CIMPLEX Grant No. 641191.

References

- [1] d’Adda, G., Capraro, V., & Tavoni, M. (2015). Push, don’t nudge: Behavioral spillovers and policy instruments. *Available at SSRN: <http://ssrn.com/abstract=2675498>*.
- [2] Alexander, R.D. (1987). The biology of moral systems. *New York, NY: Aldine de Gruyter*.
- [3] Anderson, E., Siegel, E.H., Bliss-Moreau, E., & Feldman-Barrett, L. (2011). The visual impact of gossip, *Science*, 332, 1446-1448.
- [4] Bateson, M., Nettle, D., & Roberts, G. (2006). Cues of being watched enhance cooperation in a real-world setting. *Biology Letters*, 2, 412-414.
- [5] Baumeister, R.F., Bratslavsky, E., Finkenauer, C., & Vohs, K.D. (2001). Bad is stronger than good. *Review of General Psychology*, 5, 323-370.
- [6] Beersma, B., & Van Kleef, G.A. (2011). How the grapevine keeps you in line: Gossip increases contributions to the group. *Social Psychological and Personality Science*, 2, 642-649.
- [7] Burnham, T.C., & Hare, B. (2007). Engineering human cooperation - Does involuntary neural activation increase public goods contributions? *Human Nature*, 18, 88-108.
- [8] Capraro, V. (2013). A model of human cooperation in social dilemmas. *PLoS ONE*, 8, e72427.
- [9] Capraro, V., Jordan, J.J., & Rand, D.G. (2014). Heuristics guide the implementation of social preferences in one-shot Prisoner’s Dilemma experiments. *Scientific Reports*, 4, 6790.
- [10] Chevalier, J.A., & Mayzlin, D. (2006). The effect of word of mouth on sales: Online book reviews. *Journal of marketing research*, 43(3), 345-354.
- [11] Dellarocas, C. (2006). Reputation Mechanisms. In T. Hendershott (ed.), *Handbook on Information Systems and Economics*, Amsterdam: Elsevier Publishing, 629-660.
- [12] Dellarocas, C. (2012). Designing Reputation Systems for the Social Web. In Hassan Masum & Mark Tovey (eds.) *The Reputation Society: How Online Opinions Are Reshaping the Offline World*. Cambridge, MA: MIT Press, 3-11.

- [13] Diekmann, A., Jann, B., Przepiorka, W., & Wehrli, S. (2014). Reputation Formation and the Evolution of Cooperation in Anonymous Online Markets. *American Sociological Review*, 79, 65-85.
- [14] Ernest-Jones, M., Nettle, D., & Bateson, M. (2011). Effects of eye images on everyday cooperative behavior: a field experiment, *Evolution and Human Behavior*, 32, 172-178.
- [15] Farmer, R., & Glass, B. (2010). *Building Web Reputation Systems*. Sebastopol, CA: O'Reilly.
- [16] Farmer, R. (2011). Web reputation systems and the real world. In H. Masum, M. Tovey (eds.), *The reputation society*, Cambridge (MA): The MIT Press, 13-24.
- [17] Feinberg, M., Willer, R., Stellar, J., Keltner, D. (2012). The virtues of gossip: reputational information sharing as prosocial behavior. *Journal of personality and social psychology*, 102, 1015-1030.
- [18] Giardini, F., & Conte, R. (2012). Gossip for social control in natural and artificial societies. *Simulation: Transactions of the Society for Modeling and Simulation International*, 88, 18-32.
- [19] Granovetter, M. (1985). Economic Action and Social Structure: The Problem of Embeddedness. *American Journal of Sociology*, 91, 481-510.
- [20] Haley, K.J., & Fessler, D. (2005). Nobody's watching? Subtle cues affect generosity in an anonymous economic game. *Evolution and Human Behavior*, 26, 245-256.
- [21] Hess, N.H., & Hagen, E.H. (2006). Sex differences in indirect aggression: Psychological evidence from young adults. *Evolution and Human Behavior*, 27, 231-245.
- [22] Kraft-Todd, G., Yoeli, E., Bhanot, S., & Rand, D.G. (2015). Promoting cooperation in the field. *Current Opinion in Behavioral Sciences*, 3, 96-101.
- [23] Mason, W., & Suri, S. (2014). Conducting behavioral research on Amazon's Mechanical Turk *Behavior Research Methods*, 44, 1-23.
- [24] Masum, H., Tovey, M. (2011). *The reputation society*, Cambridge (MA): The MIT Press.

- [25] Matzat, U., & Snijders, C. (2012). Rebuilding trust in online shops on consumer review sites: Sellers' responses to user-generated complaints. *Journal of Computer Mediated Communication*, 18, 62-79.
- [26] Nax, H. H., Perc, M., Szolnoki, A., & Helbing, D. (2015). Stability of cooperation under image scoring in group interactions. *Scientific Reports*, 5, 12145.
- [27] Noë, A., & Hammerstein, P. (1994). Biological markets: Supply and demand determine the effect of partner choice in cooperation, mutualism and mating. *Behavioral Ecology and Sociobiology*, 35, 1-11.
- [28] Nowak, M. (2006). Five Rules for the Evolution of Cooperation. *Science*, 314, 1560-1563.
- [29] Nowak, M., & Sigmund, K. (1998). Evolution of indirect reciprocity by image scoring. *Nature*, 393, 573-577.
- [30] Nowak, M., & Sigmund, K. (2005). Evolution of indirect reciprocity. *Nature*, 437, 1291-1298.
- [31] Panchanathan, K., & Boyd, P. (2004). Indirect reciprocity can stabilize cooperation without the second-order free rider problem. *Nature*, 432, 499-502.
- [32] Paolacci, G., & Chandler, J. (2014). Inside the Turk: Understanding Mechanical Turk as a participant pool. *Current Directions in Psychological Science*, 23, 184-188.
- [33] Perc, M., & Szolnoki A. (2010). Coevolutionary games - a mini review. *Biosystems*, 99, 109-125.
- [34] Piazza, J., & Bering, J.M. (2008). Concerns about reputation via gossip promote generous allocations in an economic game. *Evolution and Human Behavior*, 29, 172-178.
- [35] Rand, D.G., & Nowak, M. (2013). Human cooperation. *Trends in Cognitive Science*, 17, 413-425
- [36] Rand, D.G. (2012). The promise of Mechanical Turk: How online labor markets can help theorists run behavioral experiments. *Journal of Theoretical Biology*, 299, 172-179.

- [37] Rand, D.G., Arbesman, S., & Christakis, N.A. (2011). Dynamic social networks promote cooperation in experiments with humans. *Proceedings of the National Academy of Sciences USA*, 108, 19193-19198.
- [38] Rigdon, M., Ishii, K., Watabe, M., & Kitayama, S. (2009). Minimal social cues in the dictator game. *Journal of Economic Psychology*, 30, 358-367.
- [39] Sommerfeld, R.D., Krambeck, H.J., & Milinski, M. (2008). Multiple gossip statements and their effect on reputation and trustworthiness. *Proceedings of the Royal Society B*, 275, 2529-2536.
- [40] Sommerfeld, R.D., Krambeck, H.J., Semmann, D., & Milinski, M. (2007). Gossip as an alternative for direct observation in games of indirect reciprocity. *Proceedings of the National Academy of Sciences USA*, 104, 17435-17440.
- [41] Wang, J., Suri, S., & Watts, D.J. (2012). Cooperation and assortativity with dynamic partner updating. *Proceedings of the National Academy of Sciences USA*, 109, 14363-14368.
- [42] Wedekind, C., & Milinski, M. (2000). Cooperation through image scoring in humans. *Science*, 288, 850-852.
- [43] Yoeli, E., Hoffman, M., Rand, D.G., & Nowak, M.A. (2013). Powering up with indirect reciprocity in a large-scale field experiment. *Proceedings of the National Academy of Sciences USA*, 110, 10424-10429.

A Experimental instructions

Each study started with the same two screens. In the first screen we asked participants to type their WorkID, while in the second screen we informed them about the average length of the study, the corresponding participation fee, and the fact that there would be comprehension questions. They were also informed that they would be automatically excluded from the survey in case they fail any of them. At the end of this screen, participants could either continue and play, or end the survey. After each treatment, standard demographic questions were asked, at the end of which participants were given the completion code needed to claim for the payment. We report below full instructions of each study.

Study 1

In Study 1, participants were randomly assigned to play one of six conditions (Baseline, Low reputation, Neutral reputation, High reputation, Evaluate cooperator, and Evaluate defector). Instructions of these conditions were as follows (we report the comprehension questions only in the Baseline condition, but they were present in each condition).

Baseline

You have been paired with another, anonymous participant. How much money you earn depends on your own choice, and on the choice of the other participant. You are given 10 additional cents. You can either keep the money or give it to the other participant. If you decide to give the money, your 10c will be multiplied by 2 and earned by the other participant. The other participant will be given the same choice.

So:

- if you both give, you both get 20 cents
- if you both keep, you both get 10 cents
- if you give and the other person keeps, then you earn nothing

- if you keep and the other participant gives, then you get 30 cents.

The other person is REAL and will really make a decision. Once you have each made your decision, neither of you will ever be able to affect each others' bonuses in later parts of the HIT.

Now we will ask you several questions to make sure that you understand how the payoffs are determined.

YOU MUST ANSWER ALL THESE QUESTIONS CORRECTLY TO RECEIVE A BONUS!

Which action by YOU gives YOU a higher bonus?

- Keep
- Give

Which action by YOU gives the OTHER PLAYER a higher bonus?

- Keep
- Give

Which action by the OTHER PLAYER gives the OTHER PLAYER a higher bonus?

- Keep
- Give

Which action by the OTHER PLAYER gives YOU a higher bonus?

- Keep
- Give

Congratulations! You passed all comprehension questions. It is now time to make a decision.

WHAT IS YOUR CHOICE?

- Keep
- Give

Low reputation

You have been paired with another participant. The other participant is not completely anonymous. In a previous study, he or she participated in a test. We will tell you how he or she was rated in this test later. You are now paired with this person and you both have to make a choice. How much money you earn depends on your own choice, and on the choice of the other participant. You are given 10 additional cents. You can either keep the money or give it to the other participant. If you decide to give the money, your 10c will be multiplied by 2 and earned by the other participant. The other participant will be given the same choice.

So:

- if you both give, you both get 20 cents
- if you both keep, you both get 10 cents
- if you give and the other person keeps, then you earn nothing
- if you keep and the other participant gives, then you get 30 cents.

The other person is REAL and will really make a decision. Once you have each made your decision, neither of you will ever be able to affect each others' bonuses in later parts of the HIT.

(Comprehension questions were asked here)

Congratulations! You passed all comprehension questions. It is now time to make a decision.

YOU HAVE BEEN PAIRED WITH A PARTICIPANT RATED 1 STAR OUT OF A MAXIMUM OF 5.

What is your choice?

- Keep
- Give

Neutral reputation

This condition was identical to the Low reputation condition, with an important difference: the sentence 'YOU HAVE BEEN PAIRED WITH A PARTICIPANT RATED 3 STARS OUT

OF A MAXIMUM OF 5' was replaced by this sentence 'YOU HAVE BEEN PAIRED WITH A PARTICIPANT RATED 3 STARS OUT OF A MAXIMUM OF 5', in order to manipulate the partner's reputation.

High reputation

This condition was identical to the Low reputation condition, but the partner had a very positive reputation, as expressed in the following sentence: 'YOU HAVE BEEN PAIRED WITH A PARTICIPANT RATED 5 STARS OUT OF A MAXIMUM OF 5'.

Evaluate cooperator

You have been paired with another, anonymous participant. How much money you earn depends on your own choice, and on the choice of the other participant. You are given 10 additional cents. You can either keep the money or give it to the other participant. If you decide to give the money, your 10c will be multiplied by 2 and earned by the other participant. The other participant will be given the same choice.

So:

- if you both give, you both get 20 cents
- if you both keep, you both get 10 cents
- if you give and the other person keeps, then you earn nothing
- if you keep and the other participant gives, then you get 30 cents.

The other person is REAL and will really make a decision. Once you have each made your decision, neither of you will ever be able to affect each others' bonuses in later parts of the HIT.

(Comprehension questions were asked here)

Congratulations! You passed all comprehension questions. It is now time to make a decision.

WHAT IS YOUR CHOICE?

- Keep

- Give

The other participant decided to GIVE. Please rate his or her behavior.

- 1 star
- 2 stars
- 3 stars
- 4 stars
- 5 stars

Evaluate defector

This condition was identical to the EvaluateC condition, except for the fact that the partner decided to keep, therefore the word ‘GIVE’ in the last screen was replaced by ‘KEEP’.

Study 2

In Study 2 participants were randomly selected to participate in either of two conditions: weak priming and strong priming. Below we report exact instructions of the treatment. Comprehension questions were exactly the same as in Study 1, so we do not report them again.

Weak priming

You have been paired with another, anonymous participant. How much money you earn depends on your own choice, and on the choice of the other participant. IMPORTANT: AFTER YOU MAKE YOUR CHOICE, WE WILL COMMUNICATE IT TO THE OTHER PARTICIPANT, WHO WILL BE GIVEN THE OPPORTUNITY TO RATE YOUR BEHAVIOUR GIVING 1 TO 5 STARS.

You are given 10 additional cents. You can either keep the money or give it to the other participant. If you decide to give the money, your 10c will be multiplied by 2 and earned by the other participant. The other participant will be given the same choice.

So:

- if you both give, you both get 20 cents
- if you both keep, you both get 10 cents
- if you give and the other person keeps, then you earn nothing
- if you keep and the other participant gives, then you get 30 cents.

The other person is REAL and will really make a decision. Once you have each made your decision, neither of you will ever be able to affect each others' bonuses in later parts of the HIT.

(Comprehension questions were asked here)

Congratulations! You passed all comprehension questions. It is now time to make a decision.

REMEMBER THAT, AFTER THE CHOICES ARE MADE, THE OTHER PARTICIPANT WILL BE GIVEN THE OPPORTUNITY TO RATE YOUR BEHAVIOUR.

What is your choice?

- Keep
- Give

Strong priming

You have been paired with another, anonymous participant. How much money you earn depends on your own choice, and on the choice of the other participant. You are given 10 additional cents. You can either keep the money or give it to the other participant. If you decide to give the money, your 10c will be multiplied by 2 and earned by the other participant. The other participant will be given the same choice.

So:

- if you both give, you both get 20 cents
- if you both keep, you both get 10 cents
- if you give and the other person keeps, then you earn nothing

- if you keep and the other participant gives, then you get 30 cents.

The other person is REAL and will really make a decision. Once you have each made your decision, neither of you will ever be able to affect each others' bonuses in later parts of the HIT.

(Comprehension questions were asked here)

Congratulations! You passed all comprehension questions.

BEFORE YOU MAKE A DECISION, WE INFORM YOU THAT WE ARE DEFINING A RATING SYSTEM FOR PARTICIPANTS. YOUR BEHAVIOR WILL BE RATED BY OTHER PARTICIPANTS (FROM 1 TO 5 STARS) AND THIS INFORMATION WILL BE STORED IN OUR DATABASE AND USED FOR SELECTING PARTICIPANTS IN FURTHER TASKS.

What is your choice?

- Keep
- Give

Study 3

In Study 3, participants were randomly assigned to either of two conditions: Random+Evaluated and Choose+evaluated. Full instructions are reported below. Comprehension questions about the Prisoner's Dilemma were exactly the same as in the previous studies and so we do not report them again.

Random+Evaluated

This HIT is divided in two stages.

In this first stage, you are given 10 additional cents. You can either keep it or give it to the other participant. If you decide to give it, your 10c will be multiplied by 2 and earned by the other participant. The other participant will be given the same choice.

So:

- if you both give, you both get 20 cents

- if you both keep, you both get 10 cents
- if you give and the other person keeps, then you earn nothing
- if you keep and the other participant gives, then you get 30 cents.

The other participant is REAL and will really make a choice. This is a one-shot interaction. In the second stage of this HIT you will be grouped with other participants. The current participant will not have the possibility to influence your bonus in later parts of the HIT.

(Comprehension questions were asked here)

Congratulations! You passed all comprehension questions. It is now time to make a choice. What do you want to do?

- Keep
- Give

The second stage of this HIT consists of three parts:

PART 1

Here you will play the same game as in the first stage, with a random participant. You know nothing about him or her. Recall, briefly, the rules of the game: You are given 10 additional cents. You can either keep it or give it to the other participant. If you decide to give it, your 10c will be multiplied by 2 and earned by the other participant. The other participant is given the same choice.

PART 2

Here we will communicate your choice to another participant, Person B (different from Person A). The role of Person B is to rate your choice by giving it a score ranging from 1 to 5 stars.

PART 3

Here we will show to another participant, Person C (different from Persons A and B) the number of stars you received from Person B. Person C will choose with whom to play from a list of 5 participants, including you, each one characterized by a score. If Person C chooses to play with

you, you will play again and you will have the opportunity to win more money. Otherwise, if Person C chooses to play with someone else, your HIT will end.

Now we will ask you two simple comprehension questions in order to make sure you understood the procedure. Recall that you must answer these questions correctly in order to get a bonus.

What happens in Part 2?

- I will play the same game again
- The choice I made in Part 1 will be communicated to a third-party, who will rate it
- The choice I made in Part 1 will be communicated to the same person with whom I played in Part 1, who will rate it
- The choice I made in Part 1 will be communicated to the same person with whom I played in Part 1, after which he or she makes his or her choice.

What happens in Part 3?

- I will play the same game again
- I will play the same game with a person who knows the choice I made in Part 1
- I will play the same game with a person who knows how the choice I made in Part 1 was rated in Part 2
- I will be grouped with a person who knows how my choice was rated and decides whether to play with me or not.

Congratulations! You passed all comprehension questions.

What is your choice?

- Keep
- Give

Choose+evaluated

This HIT is divided in two stages.

In this first stage, you are given 10 additional cents. You can either keep it or give it to the other participant. If you decide to give it, your 10c will be multiplied by 2 and earned by the other participant. The other participant will be given the same choice.

So:

- if you both give, you both get 20 cents
- if you both keep, you both get 10 cents
- if you give and the other person keeps, then you earn nothing
- if you keep and the other participant gives, then you get 30 cents.

The other participant is REAL and will really make a choice. This is a one-shot interaction. In the second stage of this HIT you will be grouped with other participants. The current participant will not have the possibility to influence your bonus in later parts of the HIT.

(Comprehension questions were asked here)

Congratulations! You passed all comprehension questions. You have been grouped together with other five participants. In a previous HIT, these people participated in a test. They rated as follows:

- Person A's grade is 1 star out of a maximum of 5
- Person B's grade is 2 stars out of a maximum of 5
- Person C's grade is 3 stars out of a maximum of 5
- Person D's grade is 4 stars out of a maximum of 5
- Person E's grade is 5 stars out of a maximum of 5

Please choose the participant you would like to play with:

- Person A (grade: 1 star out of a maximum of 5)

- Person B (grade: 2 stars out of a maximum of 5)
- Person C (grade: 3 stars out of a maximum of 5)
- Person D (grade: 4 stars out of a maximum of 5)
- Person E (grade: 5 stars out of a maximum of 5)

It is now time to make a choice. What do you want to do?

- Keep
- Give

(The second stage of this condition was identical to the second stage of the ‘Random+Evaluated’ condition)